

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Behavioral Health	(2) MEETING DATE 8/21/2012	(3) CONTACT/PHONE Kimberly Miramon, Behavioral Health CFO, 788-2932 Amy Olson, ASO II, 781-4729	
(4) SUBJECT Request to approve a renewal contract for FY 2012-13 with Psynergy Programs, Inc. (Clerk's File) in the amount of \$1,233,362 to provide residential board and care, social support, and outpatient mental health services to adults with serious mental illness.			
(5) RECOMMENDED ACTION It is recommended that the Board approve the renewal contract for FY 2012-13 with Psynergy Program, Inc, in the amount of \$1,233,362 to provide residential board and care, social support, and outpatient mental health services to adults with serious mental illness.			
(6) FUNDING SOURCE(S) Medi-Cal, Managed Care, Realignment, General Fund	(7) CURRENT YEAR FINANCIAL IMPACT \$1,233,362	(8) ANNUAL FINANCIAL IMPACT \$1,233,362	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001188		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date <u>8-9-11</u> _____	
(17) ADMINISTRATIVE OFFICE REVIEW Reviewed by Leslie Brown			
(18) SUPERVISOR DISTRICT(S) All Districts -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Jeff Hamm, Health Agency Director
Karen Baylor, Ph.D., MFT, Behavioral Health Administrator

DATE: 8/21/2012

SUBJECT: Request to approve a renewal contract for FY 2012-13 with Psynergy Programs, Inc. (Clerk's File) in the amount of \$1,233,362 to provide residential board and care, social support, and outpatient mental health services to adults with serious mental illness.

RECOMMENDATION

It is recommended that the Board approve the renewal contract for FY 2012-13 with Psynergy Program, Inc, in the amount of \$1,233,362 to provide residential board and care, social support, and outpatient mental health services to adults with serious mental illness.

DISCUSSION

Psynergy Programs, Inc. operates two licensed board and care facilities, Nueva Vista in Morgan Hill and Cielo Vista in Greenfield. The programs offer an approach to residential board and care services, and are designed to prepare clients to reintegrate into the community within a nine to twelve month period. Clients from higher level placements in Institutions for Mental Disease (IMDs) or acute hospitals are initially accepted into the Nueva Vista facility where a 90-day program of intensive services is provided.

Psynergy Programs in the Nueva Vista facility is able to manage the difficult behaviors and conditions presented by clients transferring from acute hospital or locked IMD settings by providing very high intensity level services during the first three months of residence. The program includes a full range of outpatient mental health services available to clients at an adjacent mental health clinic site. This array of intensive outpatient mental health services is offered in addition to the social support services generally provided at more traditional board and care facilities.

As clients become more stable, service levels are gradually reduced. During the next six to nine months following the initial 90 day period of intense services, most clients will achieve the stability and improvement in life skills necessary to allow for their transfer to Psynergy's Cielo Vista facility, Psynergy's new Tres Vistas apartments (supported accommodations) located on the Nueva Vista grounds, or to local County programs such as MHSA Full Service partnerships or Transitions Mental Association's residential programs. Residential services are designed to enhance basic living skills, improve social functioning, and allow for training opportunities within the community. Mental health support groups are provided to help clients gain insight into their illness, assist them in symptom management, and encourage peer support activities.

The founders of Psynergy Programs, Inc. take a holistic approach to clients' physical and mental wellbeing and recovery. In addition to mental health support groups and outpatient mental health services, clients are encouraged to participate in physical activities. Exercise equipment, yoga classes, equestrian therapy, and walking groups are all available to clients. Great attention is given to the preparation of healthy meals and dietary practices that help to control weight and promote optimal interaction with and absorption of prescribed medications. Psynergy Programs, Inc. coordinates closely with primary medical care providers and assists clients in monitoring ongoing medical conditions such as diabetes. The program sets high standards for client hygiene and encourages clients to participate in maintaining their shared living space. Psynergy Programs, Inc. offers linkage to educational and vocational resources in the community which are especially valuable to younger clients as they transition to more independent living situations.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has reviewed and approved the contract as to form and legal effect.

FINANCIAL CONSIDERATIONS

The renewal contract amount for FY 2012-13 is \$1,233,365 and based on an average of 34 clients residing at Psynergy Programs, Inc. facilities. FY 2011-12 costs were \$1,248,035, \$162,000 over the original contract amount of \$1,086,035. A contract amendment for \$162,000 was adopted by the Board June 5, 2012. The FY 2012-13 contract is \$147,327 (or 12%) more than the FY 2011-12 contract of \$1,086,035. The increased FY 2012-13 contract amount is due to the shift of more clients residing in Psynergy facilities during FY 2012-13 than during FY 2011-12. This shift is due to several clients stepping down from higher levels of care, such as more expensive IMD facilities, into lower levels of care, such as Psynergy facilities, during the latter part of 2011-12.

Residential rates at Nueva Vista are set for new patients at \$90.00 per day for the first ninety days of client residence. The rate subsequently drops to \$60.00 per day for the remainder of the client stay. This tiered rate schedule is in keeping with the belief that clients need more intensive levels of service initially following transfer from an acute hospital or locked IMD setting. As clients stabilize in the program, there is a corresponding reduction in the number and intensity of services. Residential rates for clients with a co-morbid medical condition or co-occurring developmental delays are set at \$90.00 per day. Clients with a co-occurring substance abuse disorder require more intensive services so the residential rate is set at \$120.00 per day. The augmented services provided through the outpatient clinic are in addition to the traditional residential program services and are important in assisting clients to move more quickly toward community reintegration. Rates for 2012-13 have not increased over 2011-12 rates.

Outpatient mental health services rates are reimbursable through Medi-Cal at approximately 46%. Residential rates at Cielo Vista are \$45.00 per day. Cielo Vista is appropriate for clients who are ready to transition from Nueva Vista to a slightly more independent setting, but continue to need the structure and support offered by residential board and care programs. Psynergy's new residential option, Tres Vistas, is available to clients at no cost to the County. In comparison, the typical IMD rate ranges from \$182 to \$325 per day.

RESULTS

FY 2011-12 started off with 14 clients residing in IMD facilities, down from a census high of 17 during 2010-11. The number of clients residing in IMD facilities at the end of June 2012 is down to 5 clients. This reduction in IMD clients is due to the success of Psynergy Programs and their ability to transfer and manage these clients in their outpatient facilities, thereby increasing the client census for Psynergy Programs. Behavioral Health endeavors to choose residential provider services that most appropriately meet the current diagnosis and treatment needs of the individual client. Although the goal for clients residing at Psynergy is to step down to even lower levels of care and return to their community within San Luis Obispo County, fluctuations in a client's medical condition and/or response to medications do occur, and that movement of clients to higher level placement will be appropriate in some cases and that this does not necessarily reflect any negative performance on the part of the service provider.

The Behavioral Health Department seeks to provide clients the appropriate level of care by matching treatment services, including residential placements, to clients' individual needs. The above mentioned contracts provide the necessary resources to assure that the appropriate level of care is available for the adults in need of residential treatment services. By providing the most appropriate services to the clients, it supports positive treatment outcomes and the wider County vision to promote a healthy and safe community.

ATTACHMENTS

1. Psynergy 12-13 Clerks Filed Cover Sheet